

# **Improve Economic Vitality of Business and Individuals Tollgate #3**

## **1. Map of Causal Factors**

No change from Tollgate #2.

## **2. List key indicators of success and high-level purchase strategies. Please note if changes have been made from Tollgate #2.**

Indicators:

- Increased percentage of people employed (% of Prime Working Age Population Employed).
- Increased percentage of prosperous individuals (Median Household Annual Income; Poverty Rate).
- Increased percentage of profitable businesses (Index of business revenue minus index of business cost).

Our indicators have not changed, but the group revisited the indicator for “profitable businesses” and determined that the current measure is the best possible.

Top Four Purchase Strategies:

- Promote Washington Products
- Encourage Innovation in Washington Companies
- Support planning and leadership
- Expand infrastructure to support economic development

The addition of “planning and leadership” is a change from our previous tollgate. We reviewed evaluation literature and activities lists and determined that “flexible regulation” was an important strategy, but ranked somewhat below “planning and leadership” in relation to our outcome indicators. Specifically, planning and leadership activities include activities like the small communities initiative and other technical assistance efforts. These efforts have a significant multiplier effect on outcomes and are relatively inexpensive.

## **3. Based on agency budget submittals, agency responses to targeted budget instructions, and other research since Tollgate #2 please answer the following questions:**

- A. What one or two new ideas suggested by your team or agencies appear most worth pursuing to improve results or reduce costs?**

*The Planning and Environmental Review Fund (PERF).* Marty Brown's June 15<sup>th</sup> letter to the Community Trade and Economic Development Department (CTED) requested a "quicksites" program to encourage advance planning for development. The PERF proposal focuses on one critical aspect of prior planning, namely environmental requirements, providing technical assistance to streamline the Growth Management Act and State Environmental Policy Act processes.

*Community Economic Revitalization Board (CERB) funding proposal.* CERB is highly regarded for its governance structure and the effectiveness of its investments. But the funding stream for their activities has always been uncertain. The Priorities of Government group is exploring recommendations to stabilize CERB funding and to redefine the scope of the CERB investment portfolio to acknowledge additional infrastructure needs. This is likely to be primarily a capital budget item and may not affect the allocation strategy of Results Team #6.

Two smaller initiatives are worth noting because they were included in the June 15<sup>th</sup> request letter and because the Results Team feels they are important. First, the *Small Communities Initiative* has been a pilot program to provide technical assistance with grants and other development activities in very small communities that cannot afford such expertise. This is a very cost effective program and the Results Team supports expansion. Second, the *2010 Olympics* is a unique opportunity to promote tourism in Washington, but realizing the potential of that event will require significant planning and coordination. The Results Team supports the Task Force that is focused on the 2010 Olympics.

**B. What changes in government operations, or in state law, are necessary to implement these new ideas?**

Most of these initiatives are consistent with current law.

The CERB proposal would include two kinds of changes. It would require adding a funding formula and it would include expanding the investments that CERB can make without overlapping with other institutions.